

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1166 - SB 1264

March 5, 2013

SUMMARY OF BILL: Authorizes a county trustee or municipal collector, with a two-thirds approval of the appropriate governing body, to permit a business located within a two-mile radius of a major infrastructure project to pay tangible personal property taxes in quarterly installments instead of annual installments. Requires such trustee or collector to develop rules and procedures for such quarterly tax payments. Requires any business exercising this payment option to pay interest on any payment after the due date for the fourth installment payment. Limits the maximum late penalty to ten percent. Requires the transferee to pay any quarterly installments, penalties, and interest if a business is transferred during the year in which quarterly payments are being made. Sunsets this part on December 31, 2014.

Authorizes the Department of Economic and Community Development (ECD) to make a grant to the governing body of any county for the purpose of maintaining and improving the viability of the county through any means deemed appropriate by the governing body, including, but not limited to, marketing and other purposes related to revitalization of any area of the county that is within a two-mile radius of a major infrastructure project.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-5-1808(a), a county trustee is authorized to accept partial payments of property taxes.
- Authorizing a county trustee or municipal collector, with approval of the appropriate governing body, to accept quarterly payments for tangible personal property taxes will not result in a significant fiscal impact to the local government.
- Under current law, there is no limit to the maximum penalty that can be imposed on taxpayers for late payments, as long as such penalty applies only to the amount of delinquent property taxes remaining due as of the date property taxes become delinquent.
- Limiting the maximum late penalty to ten percent is estimated to result in a not significant fiscal impact to the local government.

- Authorizing ECD to make a grant for the purpose of maintaining the viability of the county through means deemed appropriate will not result in a significant fiscal impact on ECD.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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